



Payments in the Web 2.0 Paradigm

Chicago Fed Payments Conference

14 May 2009 Chicago, IL

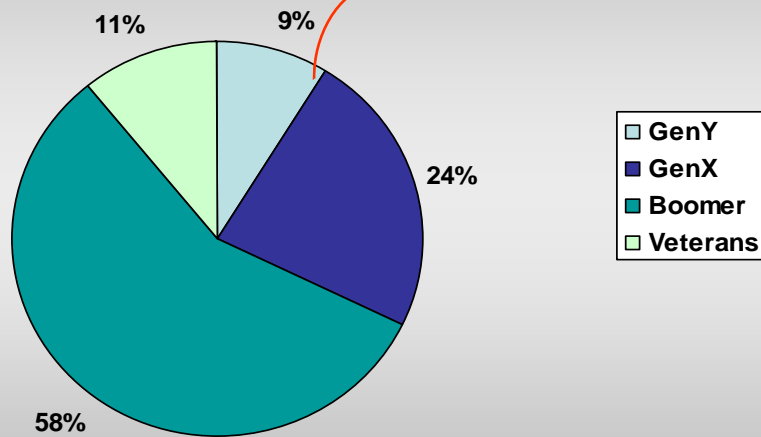
Steve Mott—Principal, BetterBuyDesign

Key Messages

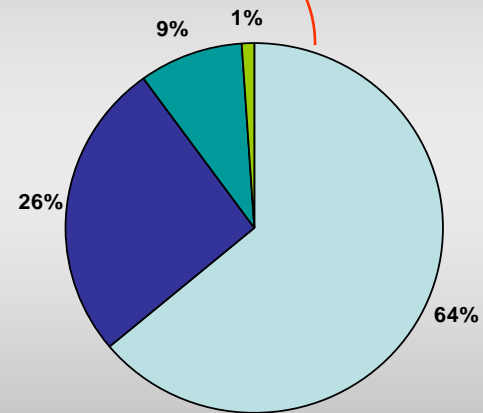
1. Changing consumer demographics weighs heavily toward social networks as ultimate venue for transacting
2. Social networks are the next stage of technology upheaval of markets; payments will become embedded, transparent and integrated with other consumer utilities; conventional payment brands will begin to dissolve
3. Example: How newspapers hope to re-invent their business model and economics via social networking
4. Mobile connecting will drive behavior with respect to financial services and payments
5. Financial institutions appear to be missing the boat in mobile banking—a linchpin for GenY transacting in the future

1. Changing Consumer Demographics

Online Bankers by Demographic Cohort



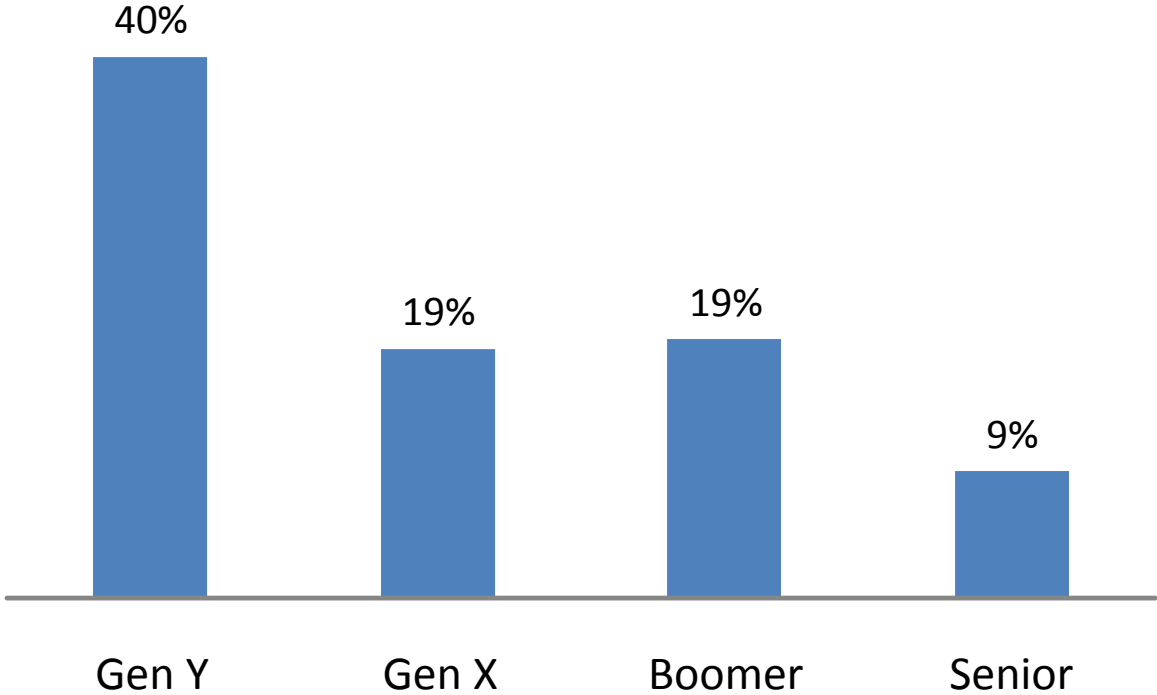
Mobile Bankers by Demographic Cohort



Source: BBD Client Analysis, 2008

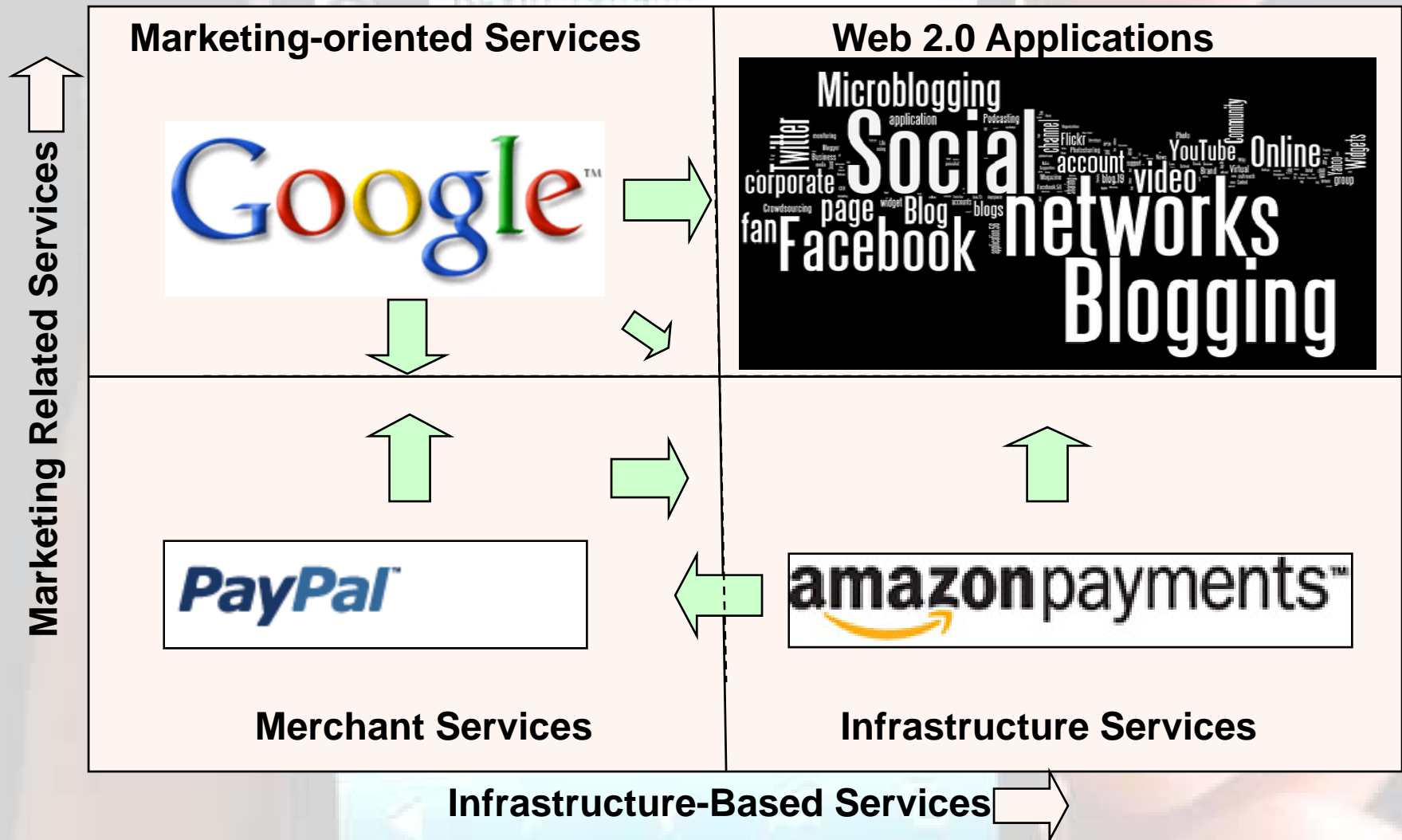
Consumer interest in mobile purchases

Q. Would you consider making purchases with your cell phone?



Source: Aite Group

2. Social Networks = Market Upheaval



PayPal: The New 800-pound Gorilla in Payments

PayPal



Exclusive customer support line, just for you.

Hello Stephen Mott,

Since you use PayPal as much as you do, we think you deserve VIP treatment. That's why we've created a special support line just for you.

Now you can enjoy faster service with direct access to a dedicated team of PayPal support experts - ready to answer all your account questions.

Your dedicated support line:

1-866-775-8151*

4:00 AM PST to 10:00 PM PST Monday through Friday
6:00 AM PST to 8:00 PM PST Saturday and Sunday

This dedicated support line is by invitation only and reserved for a limited number exclusive service, you'll need to have your account number or the last four digits you call.

Thanks,

BETTERBUYDESIGN

Gaining share in Global Merchant Services



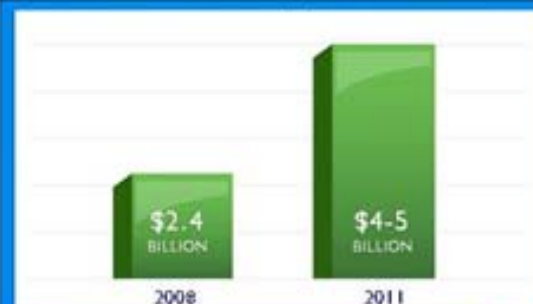
PayPal

Success across merchant segments



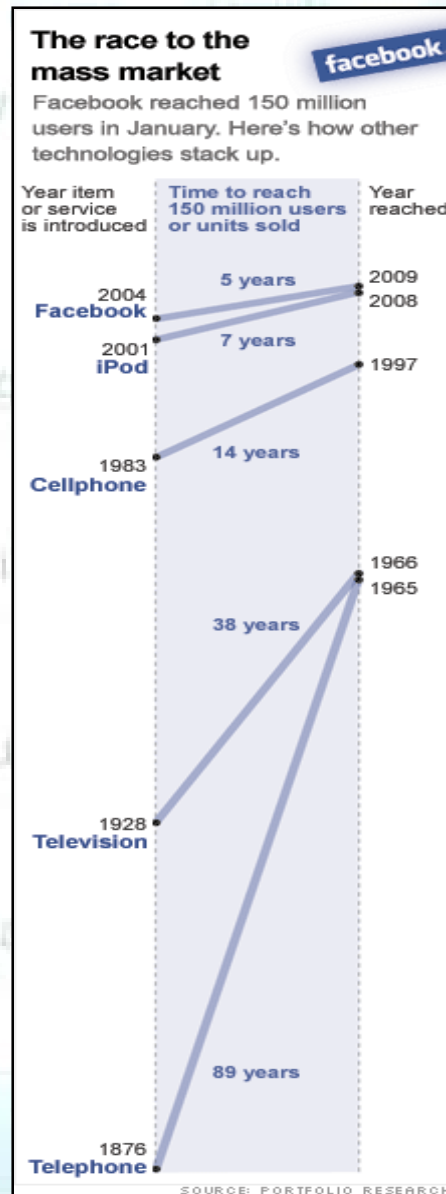
PayPal

\$4.5 billion in revenue by 2011



PayPal

Facebook: Where People Spend Their Time



What a difference a year makes

A look at Facebook's growth in users and usage of the site.

	FEB. 2008	FEB. 2009
Total daily minutes of use	1.1 billion	More than 3 billion
Users who update status daily	4 million	15 million
Users who become "fans" each day	250,000	More than 3.5 million
Photos uploaded each month	250 million	More than 850 million
Pieces of content shared each month	13 million	More than 24 million

SOURCE: FACEBOOK

Digital IDs a Trump Card? Personalization, but Privacy

The screenshot shows the Windows CardSpace application window. At the top, it says "Choose a card to send to: Fabrikam". Below this is a list of "Cards you've sent to this site:" including a "Personal Card" and a "Woodgrove Bank" card. Underneath is a section for "Your other cards:" which includes cards from "blowdart" (Managed Wallpaper, Account Card, Identity Card) and "Live Labs STS: User...". At the bottom, there is a "Send" button and a "Preview" button. A blue banner at the bottom of the card selection area says "To send this card now, click Send. To review the data before you send it, click Preview."



Information Card



Payments on Facebook: Just Getting Started

The screenshot shows a Facebook interface with a top navigation bar containing 'facebook', 'Home', 'Profile', 'Friends', 'Inbox 2', and 'Steve Mott Set'. The main content area features a 'PayPal' application card for 'Run for the Roses'. The card includes a photo of three women, a description 'I'm running 5k for the Sacred Roses Hospital. Join the cause and sponsor me!', a progress bar showing '\$2,100' raised out of a '\$5,000' goal, and a 'Give' button set to '\$20'. Below the card is a list of instructions: 'Build a badge to raise money for a personal cause and share it with friends.', 'Ask your friends to chip in or pay you back the easy way.', and 'Add PayPal for Facebook (beta) today.'. To the right of the card is a 'Go to Application' button and a sidebar with options like 'Become a Fan', 'Block Application', and 'Share'. Below the card, there is a section for 'Friends Who Have Added this Application' showing '5 friends have added this application' and a 'See All' link. At the bottom, there is a section for 'About this Application' with a 2.3 out of 5 star rating, 39 reviews, 1,638 monthly active users, and 5 friends. Below that is 'About PayPal' with a description of the service. The bottom of the page shows a navigation bar with various icons and a 'See All' link.

facebook Home Profile Friends Inbox 2 Steve Mott Set

PayPal Browse More Applications

Run for the Roses

I'm running 5k for the Sacred Roses Hospital. Join the cause and sponsor me!

\$2,100 Goal: \$5,000

Friends Network: View | Join Build a badge \$20 Give PayPal

- Build a badge to raise money for a personal cause and share it with friends.
- Ask your friends to chip in or pay you back the easy way.
- Add PayPal for Facebook (beta) today.

Soon, you'll be able to do even more. Add this application once and you'll enjoy new features the moment they're launched.

Don't have a PayPal account yet? [Sign Up Now](#)

Facebook is providing links to these applications as a courtesy, and makes no representations regarding the applications or any information related to them. Any questions regarding an application should be directed to the developer.

▼ Friends Who Have Added this Application
5 friends have added this application See All

▼ Fans
6 of 491 fans See All

Applications

4. Mobile Connections Drive Transacting



BlackBerry Apps Store: PayPal Only

The screenshot shows the BlackBerry App World website. At the top, there is a navigation bar with the BlackBerry logo on the left and links for NORTH AMERICA, WORLDWIDE, PARTNERS, DEVELOPERS, BLACKBERRY OVERVIEW, and SITE SEARCH. Below this is a secondary navigation bar with buttons for DEVICES, SOFTWARE, SUPPORT & SERVICES, SOLUTIONS, WHERE TO BUY, and OWNERS LOUNGE. On the left side, there is a 'Software' menu with a list of categories including Applications for BlackBerry Smartphones, BlackBerry App World, BlackBerry Desktop Software, BlackBerry Device Software, BlackBerry Enterprise Server, BlackBerry Internet Service, BlackBerry Media Sync, BlackBerry Mobile Data System, BlackBerry Mobile Voice System, BlackBerry Professional Software, BlackBerry Unite!, BlackBerry Web Signals, Enterprise Collaboration, and Hosted BlackBerry Services. The main content area shows the 'PayPal' app page. It includes a breadcrumb trail: Home > Software > BlackBerry App World > PayPal. The PayPal logo is prominently displayed. Below the logo, there is text: 'To purchase apps from BlackBerry (ready to go!) PayPal makes pay financial info every time.' and 'Joining PayPal is easy, and free. your account so you can start sh'. There are two links: 'Register now for BlackBerry' and 'Learn more about BlackBerry'. At the bottom of the page, there are links for WHERE TO BUY, SITEMAP, SITE INDEX, CONTACT US, and PRIVACY POLICY, along with a footer navigation bar.




Top Paid Finance Apps: DDA Management

Top Apps











[iPhone Your Life](#)
[App of the Week](#)
[Top Apps](#)
[Tips & Tricks](#)


Browse top iPhone applications in these categories. View the App Store in iTunes


	Top 10 Apps	
All Applications >	1. Checkbook >	 <div style="margin-top: 10px;"> Checkbook Jeremy Jacob Genre: Finance Price: \$1.99 </div> <p style="font-size: 12px; margin-top: 5px;"> Visit http://www.checkbookiphoneapp.com for: - Video Tutorials - Screen-shots gallery - An active forum for Questions... Learn more in the App Store </p>
What's New >	2. iXpenseIt >	
Books >	3. XpenseTracker >	
Business >	4. Tip >	
Education >	5. HomeBudget >	
Entertainment >	6. Accounts >	
Finance >	7. Day Bank >	
Games >	8. BillMinder >	
Healthcare & Fitness >	9. Budget >	
Lifestyle >	10. Loan Calculato... >	

Top Free Finance Apps: Mobile Self-Servicing

Browse top iPhone applications in these categories. [View the App Store in iTunes](#)

	Top 10 Apps	Paid	Free
All Applications >	 1. Chase Mobile (SM) >		
What's New >	 2. Bank of America >		
Books >	 3. CheckPlease >		
Business >	 4. Bloomberg >		
Education >	 5. Citi Mobile (sm) >		
Entertainment >	 6. PayPal >		
Finance >	 7. Mint.com >		
Games >	 8. Mobile Banking ... >		
Healthcare & Fitness >	 9. Balance >		
Lifestyle >	 10. iSpreadsheet F... >		



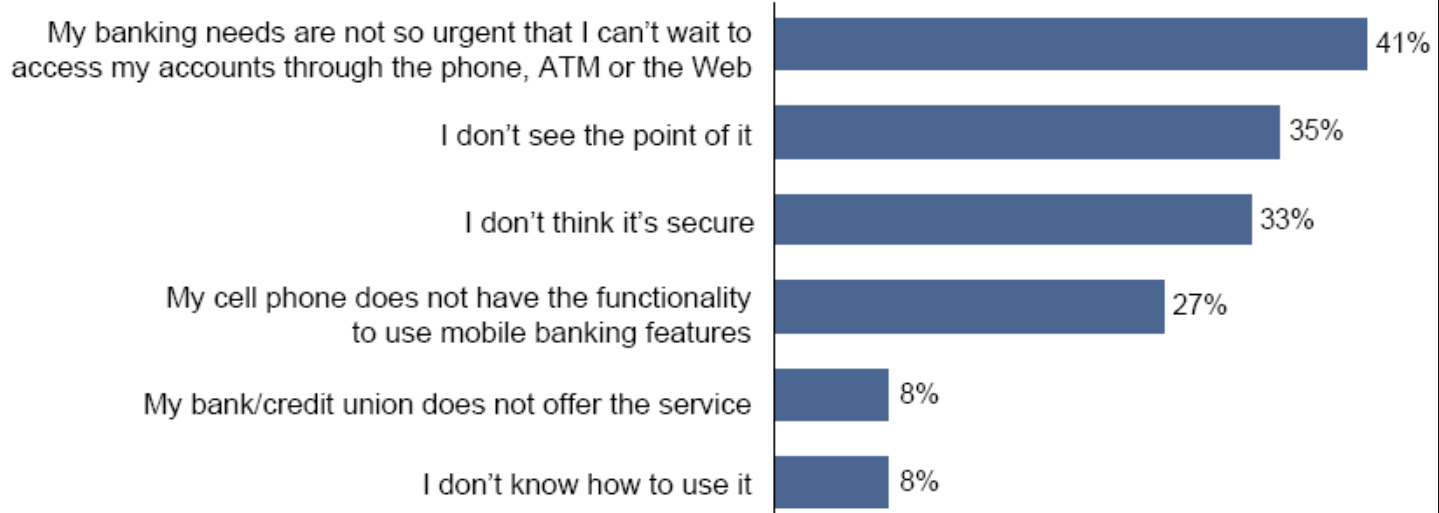
 **Chase Mobile (SM)**
JPMorgan Chase & Co.
Genre: Finance **Price:** Free

FREE* Mobile Banking for iPhone™ and iPod® touch Users If you're an iPhone or iPod touch user and you're currently ...

5. Banks Missing Out on Mobile Banking

Lack of urgency drives potential mobile banking users to other channels

"Why haven't you enrolled in mobile banking?"



Multiple responses accepted

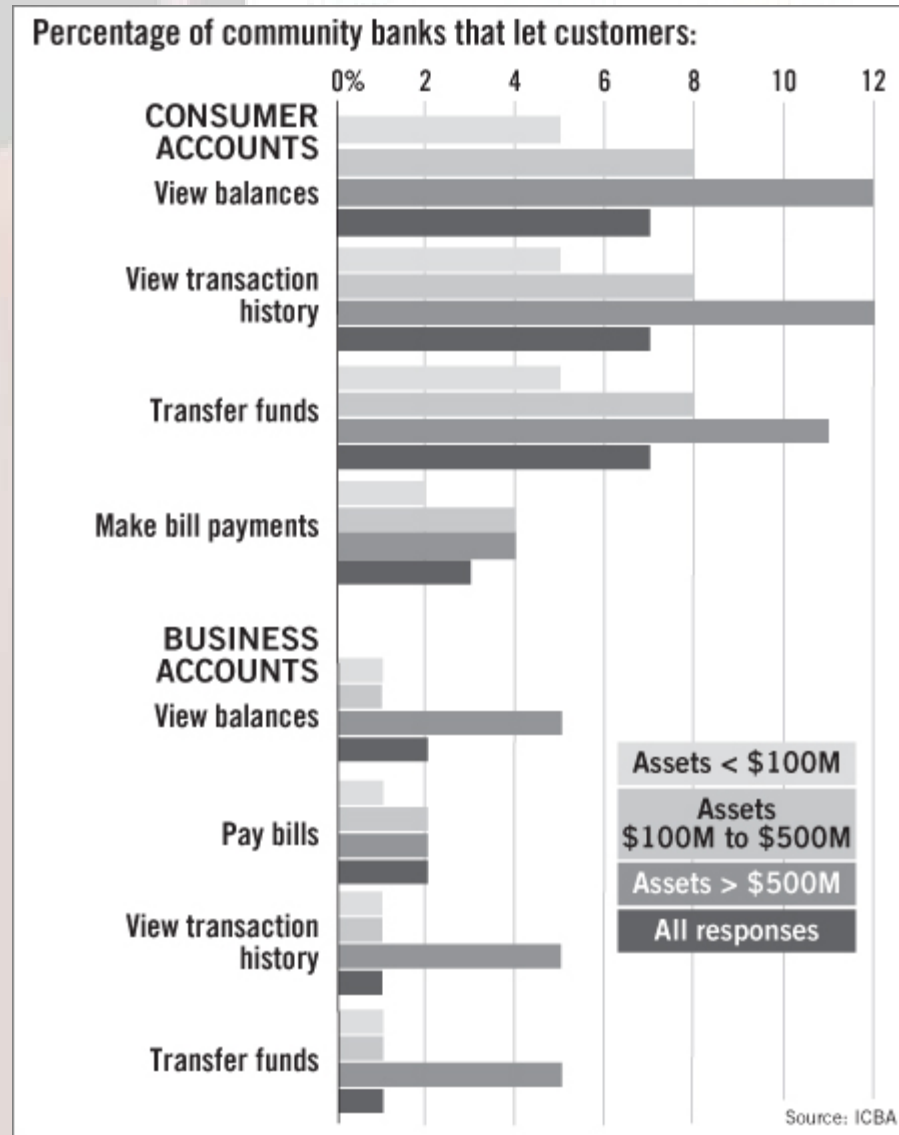
Base: 2,443 US online adults who do not use mobile banking

Source: North American Technographics® Financial Services Online Survey, Q2 2008

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FORRESTER

Smaller FIs Remain Slow to Field mBanking

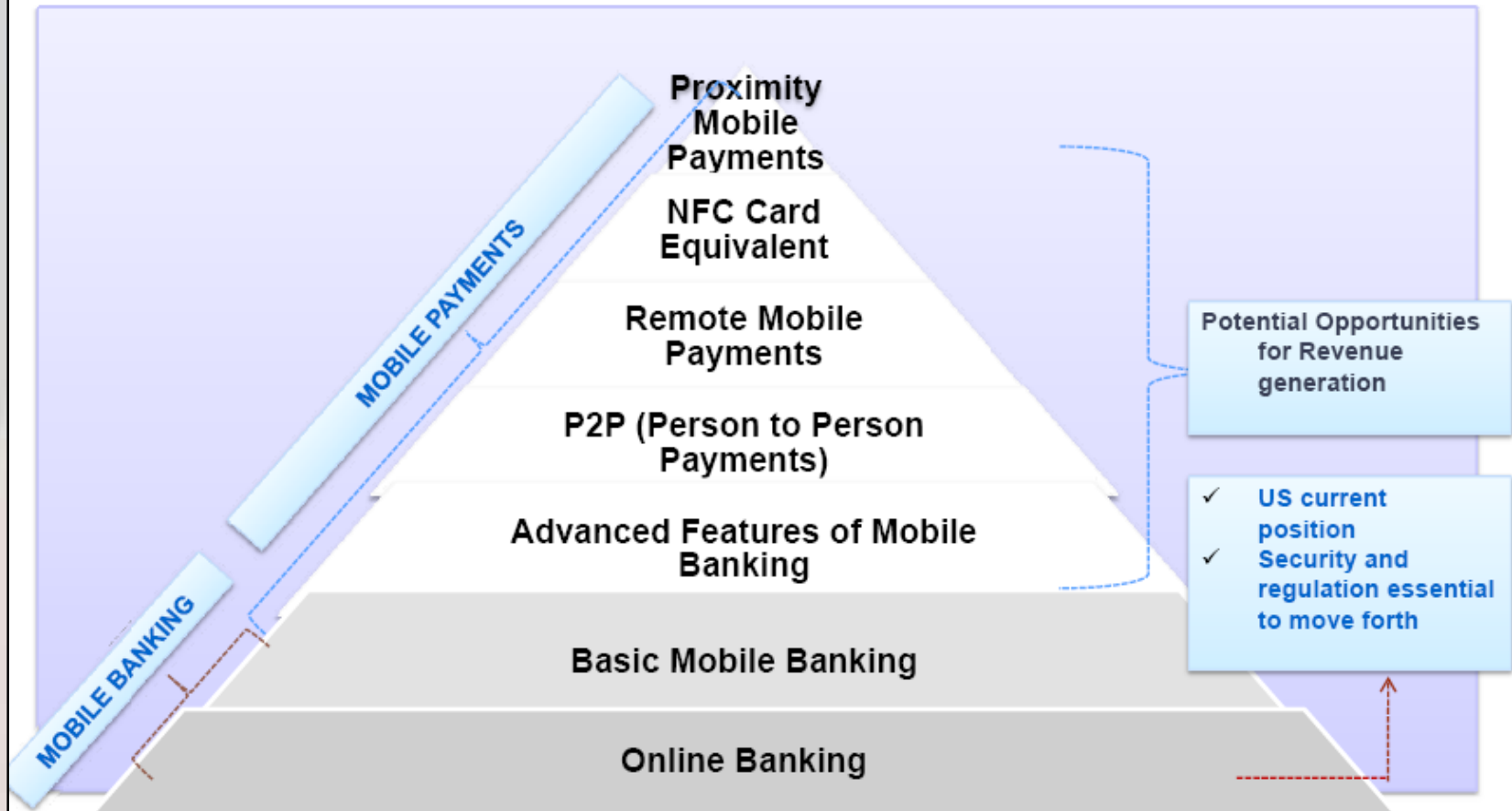


Wells Fargo's Commercial mBanking

- 128-bit 3DES encryption download
- 1st transaction; \$7 million wire transfers
- \$2 Billion in transfers in first 6 months

Will Banks Miss the Mobile Payments Upside?

Evolution of Mobile Banking and Payments



Contactless Payments at POS—by Phone

vivo tech THE LEADING PROVIDER OF 3RD GENERATION

Solutions Products Support News

[Eagle Eye Solutions and vivo tech to Provide Retailers with NFC Mobile Voucher Service](#)

CUBIC CORPORATION
vivo tech

[Cubic to Expand Bank Card Acceptance in Public Transit Through Exclusive Licensing Agreement with vivo tech](#)

[vivo tech Closes an \\$8.8m Extension to its Series C Round of Funding](#)

[vivo tech Awarded Key Patent for Over the Air Provisioning of Payment Cards to NFC Mobile Phones](#)

[vivo tech Honored with Frost & Sullivan 2009 North American Smart Cards Product Line Strategy of the Year Award](#)

vivo tech enables retailers, banks, wireless operators and service providers with 3rd Generation Systems.

Point-of-sale phone reader - [VIVOdev](#)

NFC mobile (OTA) card software - [VIVOnfc](#)

Next-generation promotions - [VIVOdelet](#)




So what is this?
A GO-Tag is a sticker or chain tag embedded in a chip that allows it to be used like a prepaid gift, debit card.

How does it work?
It uses electromagnetic fields, or what is known as "contactless technology" in a practical sense, all you have to do to make a purchase is GO-Tag in tap it on a reader.

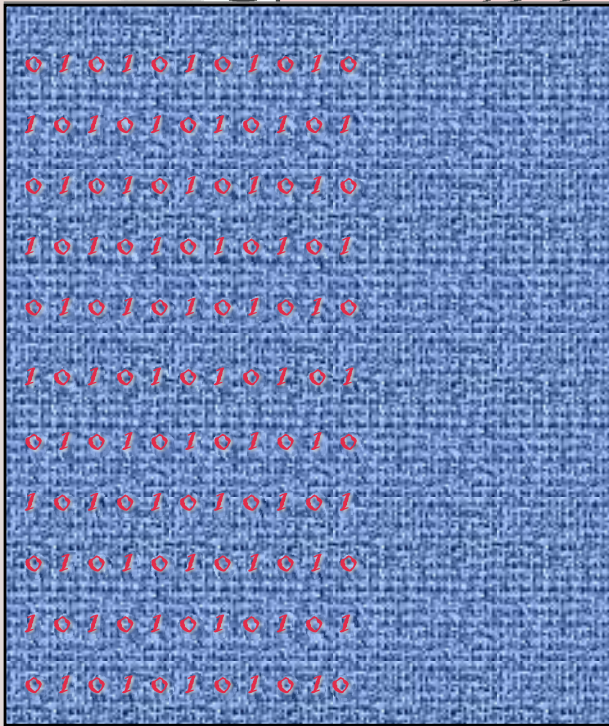
How much does it cost?
It's unclear. The cost of a Tag will be up to the merchant such as the coffee shop, grocery store that deals to shoppers.

Are there other gadgets?
There are a few similar, but none that is being marketed as heavily as a GO-Tag, according to First Data.



SPECIAL THE ROCK MOUNTAIN NEW

Steve Mott's Contact Coordinates



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BetterBuyDesign

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(f) 203.322.1012
(c) 203-536.0588
email: stevemottusa@yahoo.com
website: www.betterbuydesign.com